

**MINUTES OF THE MEETING OF THE  
UNIFORM COMMERCIAL CODE COMMITTEE  
OF THE STATE BAR OF CALIFORNIA**

December 3, 2002  
9:35 a.m. to 11:10 pm.

The December 3, 2002 meeting of the Uniform Commercial Code Committee (the “Committee”) was called to order at approximately 9:35 a.m. with Peter Szurley and Pauline Stevens presiding.

**A. Administrative Matters.**

**1. Appointment of Secretary.** Stephan Eberle was appointed as the secretary for the meeting.

**2. Approval of November Meeting Minutes.** The minutes of the November 12, 2002 meeting were approved in the form disseminated prior to the meeting.

**3. Future Meeting Dates/Locations.** The Committee reconfirmed and established future meeting dates as follows:

**January 3, 2003 (Friday),** Videoconference, 9:30 a.m. at the offices of Morrison & Foerster in Los Angeles, San Francisco and San Diego. A major focus of this meeting will be discussion of the draft of section 1-301 of the Revised Article 1 Report, which Peter Szurley will distribute during the week of December 23, 2002, as well as the report on Revised Articles 3 and 4.

**February 4, 2003 (Tuesday),** Videoconference, 9:30 a.m. at the offices of Morrison & Foerster in Los Angeles, San Francisco and San Diego.

**March 11, 2003 (Tuesday),** Videoconference, 9:30 a.m. at the offices of Morrison & Foerster in Los Angeles, San Francisco and San Diego.

**April 3<sup>rd</sup> or 4th, 2003 (Friday),** Los Angeles (Business Law Section Spring Meeting) – The Committee discussed that this meeting may conflict with ABA meetings. Mr. Szurley suggested holding the meeting during the evening of Thursday, April 3 to avoid scheduling a meeting on a Friday evening to avoid conflicts with the ABA meetings. The Committee members generally responded that this was a good idea.

**May 13, 2003 (Tuesday),** Videoconference, 9:30 a.m. at the offices of Morrison & Foerster in Los Angeles, San Francisco and San Diego.

**June and July 2003** – To be discussed at a later Committee meeting.

**B. CLE Programs.**

1. **BLS Spring Meeting.** Mr. Szurley will confirm with State Bar that the Committee will present the topic of opinion letters.

2. **BLS Annual Meeting.** The Committee discussed various topics to present at the BLS Annual Meeting. The topics included Article 1 and choice of law and a “walk through” of Article 1. Andrew Erskine suggested that a panel focusing on Article 1 would only be beneficial if the revisions had been adopted. The Committee then discussed briefly the likelihood that Article 1 would not be adopted in light of the report the Committee is preparing. Mr. Szurley will check with the legislative committee to determine how revised Article 1 will be introduced to the legislature, including any pre-introduction discussions to assist with adoption of it. The Committee then decided to present “interesting items under the Commercial Code” (title to be determined later) to provide practitioners with helpful information about the Code.

**C. Revised Articles/Divisions 3 and 4 Project.**

Mr. Szurley reported that Dorothy Brew’s and Eric Baron’s sections of the report for the revisions to Articles/Divisions 3 and 4 were distributed before the meeting. The comments received to date have focused on the organization of the material. Ms. Stevens commented that she believed that the revisions addressed many of the comments from the Committee during the November 2002 meeting.

Mr. Szurley asked if there were any comments concerning the report for section 4-301. No one from the Committee had any comments or suggestions.

Mr. Szurley asked if anyone would be willing to volunteer, in James Purvis’ absence on vacation/travel for the next two weeks, to be the “clearing house” for comments. As no one volunteered, Mr. Szurley indicated that he would be the “clearing house” – Ms. Stevens volunteered to assist him. The goal is to finalize the report in January 2003 so that it can be presented to the legislature.

The Committee then discussed whether guidelines exist for these reports so that all of the reports have similar format and use the same defined terms, etc. Mr. Erskine reported that he did have such guidelines, had forwarded them to Mr. Purvis and would forward them to Mr. Szurley.

**D. Revised Article 1 Project**

Mr. Erskine then discussed the status of the Revised Article 1 Report. He reported that it was essentially complete. The only remaining section was Harry Sigman’s portion of the report concerning Article 1-103 (summarized at the November meeting). Mr. Erskine asked the Committee to forward comments on the remainder of the draft to him as soon as possible. Mr. Szurley indicated that Harry’s section of the report would be disseminated during the week of December 23<sup>rd</sup>.

**E. Website Review and Development Project**

Mr. Rosenbaum explained that the subcommittee had met twice since the October meeting. The subcommittee members are updating pages of the website. Updated pages will be forwarded to the web master the week after the December meeting. Mr. Rosenbaum did indicate that the subcommittee was having difficulty contacting the webmaster; Mr. Szurley volunteered to assist in the process.

**F. Legal Opinions Task Force**

Mr. Fleisher reported that subcommittee will be meeting in the middle of December to work on the draft report. In its meetings, the subcommittee has been addressing the Tri-Bar Report and the differences from the subcommittee's approach.

Mr. Fleisher noted that the subcommittee is considering what the California Report's position should be as to whether it is appropriate for an opinion recipient to request a California attorney to provide a perfection by filing opinion with regard to a Delaware registered organization. He noted that some law firms are willing to give such an opinion, while others are not. The Committee then discussed this issue, with members providing various perspectives.

Mr. Fleisher also noted that the Tri-Bar Opinion Committee report discourages legal opinions concerning the priority of security interests, but does recognize that these opinions are often requested or required. The Committee then discussed this issue, with members providing various perspectives. Mr. Szurley and Mr. Fleisher asked members to forward their thoughts or comments to the subcommittee to help frame the discussion. Ms. Stevens noted that the Committee should be careful about creating a conflict with the Tri-Bar Report.

**G. Secretary of State Automation Project**

Douglas Kraft and Vasco Morais reported that they are working on a letter to send Kathleen Vasquez of the Secretary of State's office – the letter will outline the Committee's concerns. Ms. Vasquez welcomed the letter in a conversation with Mr. Morais and assured Mr. Morais that the Committee will be part of the process of developing the project. Mr. Morais and Dena Cruz will discuss with Ms. Vasquez the need for no or low cost searches of indexes of debtors' names.

The Committee discussed having members of the subcommittee visiting the Secretary of State's office again to assist in reviewing the web pages/screens and program. Mr. Morais discussed setting up a small "beta test group" of members of the subcommittee and possibly paralegals to work with the Secretary of State on this.

**H. Article 9 Update**

There was no discussion.

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The meeting was adjourned at approximately 11:10 a.m.